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# **Economic Development, Trade & Banking Committee**

## **Action Packet**

**Allan G. Bense**  
Speaker

**Gus Bilirakis**  
Chair

**COMMITTEE MEETING REPORT**  
**Economic Development, Trade & Banking Committee**  
**10/18/2005 9:00:00AM**

**Location:** 306 HOB

**Attendance:**

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Gus Bilirakis (Chair)	X		
Aaron Bean	X		
Dorothy Bendross-Mindingall	X		
Phillip Brutus	X		
Faye Culp	X		
Joyce Cusack	X		
Don Davis	X		
Nancy Detert	X		
Michael Grant	X		
Adam Hasner	X		
Charlie Justice	X		
Frank Peterman	X		
John Quinones	X		
Ken Sorensen			X
Trudi Williams	X		
<b>Totals:</b>	<b>14</b>	<b>0</b>	<b>1</b>

Committee meeting was reported out: Tuesday, October 18, 2005 11:35:46AM

**COMMITTEE MEETING REPORT**  
**Economic Development, Trade & Banking Committee**  
**10/18/2005 9:00:00AM**

**Location:** 306 HOB

**HB 37 : Security of Consumer Credit Report Information**

☒ *Favorable With Committee Substitute -*

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Aaron Bean	X				
Dorothy Bendross-Mindingall	X				
Phillip Brutus	X				
Faye Culp	X				
Joyce Cusack	X				
Don Davis	X				
Nancy Detert	X				
Michael Grant	X				
Adam Hasner	X				
Charlie Justice			X		
Frank Peterman	X				
John Quinones	X				
Ken Sorensen			X		
Trudi Williams	X				
Gus Bilirakis (Chair)	X				
<b>Total Yeas: 13      Total Nays: 0</b>					

**Appearances:**

Security of consumer credit report information  
Eric J. Ellman - Information Only  
Consumer Data Industry Association  
1090 Vermont Avenue NW #200  
Washington DC 25505  
Phone: 202-408-7407

Security of consumer credit report information  
John Rogers (Lobbyist) - Opponent  
Florida Retail Federation  
PO Box 10024  
Tallahassee FL 32302  
Phone: 850-222-4082

Security of consumer credit report information  
Anthony DiMarco (Lobbyist) - Information Only  
Florida Bankers Association  
1001 Thomasville Road  
Tallahassee FL 32303  
Phone: 850-224-2265

Committee meeting was reported out: Tuesday, October 18, 2005 11:35:46AM

**COMMITTEE MEETING REPORT**  
**Economic Development, Trade & Banking Committee**  
**10/18/2005 9:00:00AM**

**Location:** 306 HOB

**Other Business Appearance:**

Economic Development Transportation Fund  
Ted Clem - Information Only  
Florida Economic Development Council  
PO Box 1850  
Panama City FL 32402  
Phone: 850-785-5206

Office of Financial Regulation  
Don Saxon (State Employee) - Information Only  
Director, Office of Financial Regulation  
The Fletcher Building, Suite 118 200 E. Gaines Street  
Tallahassee FL 32399-0370  
Phone: 850-410-9256

Office of Financial Regulation  
Alex Hager (State Employee) - Information Only  
Deputy Commissioner, Office of Financial Regulation  
The Fletcher Building, Suite 118 200 E. Gaines Street  
Tallahassee FL 32399-0370  
Phone: 850-410-9256

Committee meeting was reported out: Tuesday, October 18, 2005 11:35:46AM

**COMMITTEE MEETING REPORT**  
**Economic Development, Trade & Banking Committee**  
**10/18/2005 9:00:00AM**

**Location:** 306 HOB

**Summary:**

**Economic Development, Trade & Banking Committee**

*Tuesday October 18, 2005 09:00 am*

HB 37

Favorable With Committee Substitute

Yeas: 13 Nays: 0

Committee meeting was reported out: Tuesday, October 18, 2005 11:35:46AM

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1a

Bill No. 0037

COUNCIL/COMMITTEE ACTION

ADOPTED	<u>7</u>	(Y/N)
ADOPTED AS AMENDED	<u>✓</u>	(Y/N)
ADOPTED W/O OBJECTION	<u>—</u>	(Y/N)
FAILED TO ADOPT	<u>—</u>	(Y/N)
WITHDRAWN	<u>—</u>	(Y/N)
OTHER	<u>—</u>	

(A)

Council/Committee hearing bill: Economic Development, Trade & Banking  
Representative(s) Adams offered the following:

**Amendment to Amendment ( 1 ) by Representative Adams**

Remove everything after the enacting clause, and insert:

Section 1. Section 501.005, Florida Statutes, is created to read:

501.005 Consumer credit report security freeze.--

(1) A consumer may place a security freeze on his or her consumer credit report by making a request in writing by certified mail to a consumer credit reporting agency. For purposes of this section, "consumer credit report security freeze" or "security freeze" means a notice placed in a consumer's credit report that prohibits a consumer credit reporting agency from releasing the consumer's credit report or any information contained within the credit report to a third party without the express authorization of the consumer. This section does not prevent a consumer credit reporting agency from advising a third party that a security freeze is in effect with respect to the consumer's credit report.

Amendment No. 1a

23       (2) A consumer credit reporting agency shall place a  
24 security freeze on a consumer's credit report no later than 5  
25 business days after receiving a request from the consumer.

26       (3) The consumer credit reporting agency shall send a  
27 written confirmation of the security freeze to the consumer  
28 within 5 business days after instituting the security freeze and  
29 shall provide the consumer with a unique personal identification  
30 number or password to be used by the consumer when providing  
31 authorization for the limited release of his or her credit  
32 report for a designated period of time during the security  
33 freeze as provided in subsection (4).

34       (4) A consumer may allow his or her credit report to be  
35 accessed for a designated period of time while a security freeze  
36 is in effect by contacting the consumer credit reporting agency  
37 and requesting that the freeze be temporarily lifted. The  
38 consumer must provide the following information to the consumer  
39 credit reporting agency as part of the request:

40       (a) Proper identification as determined by the consumer  
41 credit reporting agency.

42       (b) The unique personal identification number or password  
43 provided by the credit reporting agency pursuant to subsection  
44 (3).

45       (c) Information specifying the period of time for which  
46 the report shall be made available.

47       (5) A consumer credit reporting agency that receives a  
48 request from a consumer to temporarily lift a freeze on a credit  
49 report pursuant to subsection (4) shall comply with the request  
50 no later than 3 business days after receiving the request.

51       (6) A consumer credit reporting agency shall use  
52 telephonic communication or any form of secure electronic media  
53 to receive and process a request from a consumer pursuant to

Amendment No. 1a

subsection (4) with the goal of processing a request within 15 minutes after receipt of such request.

(7) A consumer credit reporting agency shall temporarily lift or remove a security freeze placed on a consumer's credit report only in the following instances:

(a) Upon consumer request, pursuant to subsections (4) or (10).

(b) If the consumer's credit report was frozen due to a material misrepresentation of fact by the consumer. If a consumer credit reporting agency intends to remove a security freeze on a consumer's credit report pursuant to this paragraph, the consumer credit reporting agency shall notify the consumer in writing prior to removing the security freeze.

(8) A third party requesting access to a consumer credit report on which a security freeze is in effect in connection with an application for credit or other permissible use may treat the application as incomplete if the consumer has not authorized a temporary lifting of the security freeze for the period of time during which the request is made.

(9) If a consumer requests a security freeze, the consumer credit reporting agency shall disclose to the consumer all information relevant to the process of instituting, temporarily lifting, and removing a security freeze and shall include the disclosure required by subsection (16).

(10) A security freeze shall remain in place until the consumer requests that it be removed. A consumer credit reporting agency shall remove a security freeze within 3 business days after receiving a request for removal from the consumer, who, upon making the request for removal, must provide the following:



HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1a

84 (a) Proper identification as determined by the consumer  
85 credit reporting agency.

86 (b) The unique personal identification number or password  
87 provided by the credit reporting agency pursuant to subsection  
88 (3).

89 (11) The provisions of this section do not apply to the  
90 use of a consumer credit report by the following persons or for  
91 the following reasons:

92 (a) A person to whom the consumer owes a financial  
93 obligation or a subsidiary, affiliate, or agent of the person,  
94 or an assignee of a financial obligation owed by the consumer to  
95 the person, or a prospective assignee of a financial obligation  
96 owed by the consumer to the person in conjunction with the  
97 proposed purchase of the financial obligation, with which the  
98 consumer has or had prior to assignment an account or contract,  
99 including a demand deposit account, or to whom the consumer  
100 issued a negotiable instrument, for the purposes of reviewing  
101 the account or collecting the financial obligation owed for the  
102 account, contract, or negotiable instrument. For purposes of  
103 this paragraph, "reviewing the account" includes activities  
104 related to account maintenance, monitoring, credit line  
105 increases, and account upgrades and enhancements.

106 (b) A subsidiary, affiliate, agent, assignee, or  
107 prospective assignee of a person to whom access has been granted  
108 under this section for purposes of facilitating the extension of  
109 credit or other permissible use.

110 (c) A state agency acting within its lawful investigative  
111 or regulatory authority.

112 (d) A state or local law enforcement agency acting to  
113 investigate a crime or conducting a criminal background check.

Amendment No. 1a

114 (e) Any person administering a credit file monitoring  
115 subscription service to which the consumer has subscribed.

116 (f) Any person for the purpose of providing a consumer  
117 with a copy of the consumer's credit report upon the consumer's  
118 request.

119 (g) Pursuant to a court order lawfully entered.

120 (h) The use of credit information for the purposes of  
121 prescreening as provided for by the federal Fair Credit  
122 Reporting Act.

123 (12) A consumer credit reporting agency shall not charge  
124 a consumer a fee to place a security freeze on the consumer's  
125 credit report. A consumer credit reporting agency may charge a  
126 reasonable fee, not to exceed \$5, to a consumer who elects to  
127 remove or temporarily lift a security freeze on his or her  
128 consumer credit report. A consumer may be charged a reasonable  
129 fee, not to exceed \$5, if the consumer fails to retain the  
130 original personal identification number or password provided by  
131 the consumer credit reporting agency, and the agency must  
132 reissue the personal identification number or password or  
133 provide a new personal identification number or password to the  
134 consumer.

135 (13) If a security freeze is in effect, a consumer credit  
136 reporting agency shall not change any of the following official  
137 information in a consumer credit report without sending a  
138 written confirmation of the change to the consumer within 30  
139 days after the change is posted to the consumer's file:

140 (a) Name.

141 (b) Address.

142 (c) Date of birth.

143 (d) Social security number.

144

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1a

145 Written confirmation is not required for technical corrections  
146 of a consumer's official information, including name and street  
147 abbreviations, complete spellings, or transposition of numbers  
148 or letters. In the case of an address change, the written  
149 confirmation shall be sent to both the new address and the  
150 former address.

151 (14) The provisions of this section do not apply to the  
152 following entities:

153 (a) A check services company, which issues authorizations  
154 for the purpose of approving or processing negotiable  
155 instruments, electronic funds transfers, or similar methods of  
156 payment.

157 (b) A demand deposit account information service company,  
158 which issues reports regarding account closures due to fraud,  
159 substantial overdrafts, automatic teller machine abuse, or  
160 similar negative information regarding a consumer to inquiring  
161 banks or other financial institutions for use only in reviewing  
162 a consumer request for a demand deposit account at the inquiring  
163 bank or financial institution, as defined in s. 655.005(1)(g) or  
164 (h).

165 (c) A consumer credit reporting agency that acts only as  
166 a reseller of credit information by assembling and merging  
167 information contained in the database of another consumer credit  
168 reporting agency or multiple consumer credit reporting agencies  
169 and does not maintain a permanent database of credit information  
170 from which new consumer credit reports are produced. However, a  
171 consumer credit reporting agency shall honor any security freeze  
172 placed on a consumer credit report by another consumer credit  
173 reporting agency.

174 (15) In addition to any other penalties or remedies  
175 provided under law, a person who is aggrieved by a knowing or

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1a

willful violation of the provisions of this section may bring a civil action in any court of competent jurisdiction against any person or entity, including a consumer credit reporting agency, for recovery of actual and consequential damages, court costs, and attorney's fees.

(16) Any written disclosure by a consumer credit reporting agency to any consumer pursuant to this section shall include a written summary of all rights the consumer has under this section, and, in the case of a consumer credit reporting agency which compiles and maintains consumer credit reports on a nationwide basis, a toll-free telephone number which the consumer can use to communicate with the consumer credit reporting agency. The written summary of rights required under this section is sufficient if it is in substantially the following form:

You have a right to place a "security freeze" on your credit report, which will prohibit a consumer credit reporting agency from releasing any information in your credit report without your express authorization. A security freeze must be requested in writing by certified mail to a consumer credit reporting agency. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to control access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, insurance, government services or payments, rental housing, employment, investment, license, cellular phone, utilities, digital signature, Internet credit card transaction, or other

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1a

services, including an extension of credit at point of sale.

When you place a security freeze on your credit report, you will be provided a personal identification number or password to use if you choose to remove the freeze on your credit report or authorize the release of your credit report for a designated period of time after the security freeze is in place. To provide that authorization, you must contact the consumer credit reporting agency and provide all of the following:

- (1) The personal identification number or password.
- (2) Proper identification to verify your identity.
- (3) Information specifying the period of time for which the report shall be made available.

A consumer credit reporting agency must authorize the release of your credit report no later than 3 business days after receiving the above information.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account, that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

You have the right to bring a civil action against anyone, including a consumer credit reporting agency, who fails to comply with the provisions of s. 501.005, Florida Statutes, which governs the placing of a consumer credit report security freeze on your consumer credit report. This includes the right to bring a civil action against any person for recovery of your actual and consequential damages, court costs, and attorney's fees caused by a knowing or willful violation of the law.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1a

238

Section 2. This act shall take effect July 1, 2006.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1b

Bill No. 0037

COUNCIL/COMMITTEE ACTION

ADOPTED \_\_\_\_\_ (Y/N)  
 ADOPTED AS AMENDED \_\_\_\_\_ (Y/N)  
 ADOPTED W/O OBJECTION 7 (Y) (N)  
 FAILED TO ADOPT \_\_\_\_\_ (Y/N)  
 WITHDRAWN \_\_\_\_\_ (Y/N)  
 OTHER \_\_\_\_\_

(A)

Council/Committee hearing bill: Economic Development, Trade &  
 Banking  
 Representative(s) Adams offered the following:

**Amendment to Substitute Amendment ( 1a ) by Representative  
 Adams**

After line 238, insert the following:

===== T I T L E A M E N D M E N T =====

A bill to be entitled

An act relating to security of consumer credit report  
 information; creating s. 501.005, F.S.; authorizing a  
 consumer to place a security freeze on his or her consumer  
 credit report; defining "consumer credit report security  
 freeze"; providing procedures and requirements with  
 respect to the placement, temporary suspension, and  
 removal of a security freeze on a consumer credit report;  
 authorizing a consumer to allow specified temporary access  
 to his or her credit report during a security freeze;  
 providing procedures with respect to such temporary  
 access; providing for removal of a security freeze when a  
 consumer's credit report was frozen due to a material  
 misrepresentation of fact by the consumer; providing

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1b

applicability; prohibiting a consumer credit reporting agency from charging a fee to place a security freeze on a consumer credit report; authorizing consumer credit reporting agencies to charge a fee to remove or temporarily lift a security freeze and to reissue a personal identification number or password; restricting the change of specified information in a consumer credit report when a security freeze is in effect; providing an exemption for certain persons or entities; providing for civil remedy; providing requirements with respect to written disclosure by a consumer credit reporting agency of procedures and consumer rights associated with a security freeze; providing an effective date.